GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industrial Promotion – M/s. SAR Denim Pvt Ltd– Proposal to set up a Mega Textile Project (Integrated from Fiber to Garments) in Lepakshi (Hindupur), Anantapuramu District - Certain incentives– Orders- Issued.

INDUSTRIES & COMMERCE (PROGRAMME -II) DEPARTMENT

G.O.MS.No. 63 Dated: 10-05-2016

Read the following:-

Ref :-1. From M/s.SAR Denim Private Limited., Dt:11.09.2015.
2. State Investment Promotion Committee meeting held on 29.03.2016.
3. State Investment Promotion Board Meeting held on 11.04.2016.

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O R D E R:-

In the letter 1st read above, M/s.SAR Denim Private Limited., has informed that they have proposed to establish an integrated Mega Textiles Park (Integrated from Fiber to Garments) in Lepakshi (Hindupur), Anantapuramu District, with the capital investment of Rs. 135.00 crores, with potential to create employment to 1300 people directly and many more indirectly in three phases. The company has requested for the following incentives:

(i) Power cost reimbursement @ Rs. 2.50 per unit for the Integrated Project (Spinning, Weaving, Garmenting including Technical textiles) for a period of 10 years from the date of commercial production and to treat the commercial production of all the phases separately for this incentive. The power rate to be fixed at first year level for next five years. Development charges of Rs. 1500 per KVA to be waived off for the new power connection. However, the unit will pay the actual estimated cost of equipment installed for the new connection. Fixed charges of Rs. 371 per KVA to be waived off to keep the rate of power at competitive level.

(ii) Reimbursement of net VAT/CST/SGST for tax collected on end product/ intermediate product within the entire value chain to the extent of 100% of the eligible fixed capital investment in plant and machinery for a period of 8 years. (The quantum of incentives may be same as mentioned in the policy).

(iii) Reimbursement of 100% VAT/CST/SGST paid by the unit on purchases of intermediate product/raw material except for certain goods and certain transaction which are not eligible for tax credit under the AP VAT Act, 2005 for a period of 8 years.

(iv) Water supply to the unit to be assured from the dedicated or existing water pipe line @ Rs. 25 per KL.

(v) To consider either 12.5% or the rate of interest actually charged whichever rate is less as the applicable rate of interest including Central TUFS.

2. In the reference 2nd read above, the Empowered Committee of Secretaries has discussed the proposal of M/s. SAR Denim Pvt. Ltd., and recommended for extending certain incentives and further recommended for placing the proposal before the SIPB.

3. In the reference 3rd read above, the State Investment Promotion Board (SIPB) have discussed the proposal of M/s. SAR Denim Pvt. Ltd., in detail and decided to extend the following incentives:

(1) To accord Mega Status to the project considering the investment in three phases (more than Rs.125 Crore).

(2) Power cost reimbursement @ Rs. 1.50 per unit for a period of 5 years from the date of commencement of commercial production and extendable to another 2 years, on satisfactory performance of the unit, since the unit is being located in Ananthapur, which is a backward District.

(P.T.O)

(3) Reimbursement of 100% VAT/CST/SGST paid by the unit on purchases of intermediate product/raw material except for certain goods and transaction which are not eligible for tax credit under the AP VAT Act, 2005 for a period of 5 years, from the date of commencement of commercial production and extendable to another 2 years, on satisfactory performance of the unit, since the unit is being located in Ananthapur, which is a backward District.
(4) To supply water to the unit @ Rs. 25 per KL for 5 years.
(5) All other benefits shall be as per the Textile & Apparel Policy 2015-20.

4. The Government after careful consideration of the recommendations of the State Investment Promotion Board hereby extend the following incentives to M/s. SAR Denim Pvt. Ltd., for the proposed unit with an investment of Rs. 135 crores with a potential to create employment to 1300 people:

(1) To accord Mega Status to the project considering the investment in all the three phases (more than Rs.125 Crore).

(2) Power cost reimbursement @ Rs. 1.50 per unit for a period of 5 years from the date of commencement of commercial production and extendable to another 2 years, on satisfactory performance of the unit, since the unit is being located in Ananthapur, which is a backward District.

(3) Reimbursement of 100% VAT/CST/SGST paid by the unit on purchases of intermediate product/raw material except for certain goods and transaction which are not eligible for tax credit under the AP VAT Act, 2005 for a period of 5 years, from the date of commencement of commercial production and extendable to another 2 years, on satisfactory performance of the unit, since the unit is being located in Ananthapur, which is a backward District

(4) To supply water to the unit @ Rs. 25 per KL for a period of 5 years.

(5) All other benefits shall be as per the Textile & Apparel Policy 2015-20.

5. The Commissioner of Handlooms and Textiles /Director of Industries, A.P, Hyderabad shall take necessary action, accordingly and intimate the status and the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

NARESH PEUNUMAKA
E.O. SECRETARY TO GOVERNMENT

To
The Commissioner of Handlooms & Textiles, Andhra Pradesh, Hyderabad.
The Director of Industries, A.P., Hyderabad.
From M/s.SAR Denim Private Limited., through the Director of Industries.
Copy to:
The Finance (FMU-REV-IC) Department.
The Revenue (CT) Department.
The Revenue (Registration) Department.
The Energy Department.
The Irrigation (Reforms) Department .
The Law (H) Department.
The Accountant General, Andhra Pradesh, Hyderabad
The Commissioner of Commercial Taxes, Andhra Pradesh, Hyderabad
The Chairman & Managing Director, APTRANSCO., Andhra Pradesh Hyderabad.
The Managing Director, APSPDC Ltd., Kurnool, Andhra Pradesh.
The Vice Chairman & Managing Director, APIIC, Hyderabad.
P.S. to Secretary to Chief Minister.
P.S. to Chief Secretary to Government
P.S.to E.O. Secretary to Govt., Industries & Commerce Department.
SC/SF.

// FORWARDED:: BY ORDER//

SECTION OFFICER